



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

Date

Transmitted Via E-Mail

Carol Pace, Staff Administrative Assistant
Northrop Grumman System Corporation
401 East Hendy Ave.
Sunnyvale, CA 94088
carol.pace@ngc.com

Dear Ms. Pace:

RE: FINAL MONITORING VISIT REPORT for – ET07-0252

Date of the Visit:	11/6/08
Beginning/Ending Time:	9:45 – 11:50 a.m.
Date of Last Visit:	8/26/08
Visit Location:	Sunnyvale
Persons in attendance:	Carol Pace, Northrop Grumman; Teresa Teles, ETP Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	12/30/06 - 12/29/08	Agreement Amount:	\$1,004,400
Type of Trainee:	Retrainee	No. to Retain:	930
Reimbursement Rate:	\$18 Class/Lab \$8 CBT	Range of Hours:	24 - 200
Date Training Must Be Completed:	9/29/08	Weighted Ave. Hours:	60

FINAL REPORT SUMMARY:

HISTORY OF AGREEMENT CHANGES

ETP approved one Agreement Modification on 2/19/08, to add computer based training (CBT) to the agreement.

SACRAMENTO CENTRAL OFFICE
1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
(818) 755-1313

S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
FOSTER CITY, CA 94404
(650) 655-6930

SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
(619) 686-1920

INTERVIEW WITH THE CONTRACTOR'S REPRESENTATIVE

- What barriers, if any, did your company experience in implementing your ETP project?
No barriers implementing. Company had a high turnover in our Executive Staff team during 2007 and 2008.
- What problems, if any, did your company experience with ETP record keeping?
None but the State database system is a little slow
- What assistance could ETP have provided that would improve the process for future Contractors? None
- How did your company benefit from the ETP training?
Company had many Lean events and continuous improvement training during the 2007 and 2008.

TRAINING STATUS:

Trainees Started Training:	283	No. Completed Minimum Reimbursable Hours :	250
Trainees Enrolled:	1113	Completed Maximum Hours:	1
Dropped Following Enrollment:	491	Completed Training and Retention:	250

According to your records at the time of this final meeting, you expected to retain a total of 250 trainees (27% percent of planned retentions) for a total reimbursement of \$218,510, (22 percent of the encumbered amount). Ms. Pace plans to submit the closeout invoice by 1/29/09.

The low earnings was the result of changes in top management. The new management team was not familiar with ETP project and did not stress the importance of training for the production staff.

ATTENDANCE ROSTERS:

The rosters reviewed by Ms. Teles verified the completion of training for a sample of trainees. The sample of rosters reviewed met ETP documentation requirements.

AUDIT:

Northrop Grumman will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

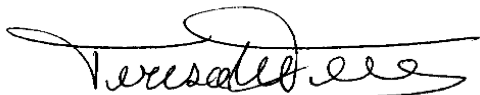
Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Teresa Teles at (650) 655-6940 or at tteles@etp.ca.gov within ten (10) working days from receipt of this report.

Sincerely,



Creighton Chan, Manager
San Francisco Bay Area Regional Office



Teresa Teles, Analyst
San Francisco Bay Area Regional Office

cc: David Perry, Northrop Grumman david.perry@ngc.com
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor 1/12/08